



April 19, 2000

Secretary  
Federal Trade Commission  
Room H-159  
600 Pennsylvania Avenue N.W.  
Washington D.C. 20580

Re: Alternative Dispute Resolution for Consumer Transactions  
in the Borderless Online Marketplace

Dear Secretary:

American Express Travel Related Services Company, Inc. ("American Express") appreciates the opportunity to provide comments on the application of alternative dispute resolution mechanisms to online consumer transactions. By way of background, American Express participated in the Commission's workshop in June 1999 on Consumer Protection in the Global Electronic Marketplace, which we found to be most productive. As was discussed at the 1999 Workshop, in order to facilitate the growth of global e-commerce consumers must be confident that they will have access to efficient, effective and affordable means to resolve disputed online transactions.

The credit card industry, through its "chargeback" procedures, presents one model of how a private sector dispute resolution system operates today. Online shoppers often prefer to use credit cards to pay for their purchases, knowing that they have a baseline of protection in the event a dispute arises. American Express operates a global general purpose credit and charge card network which performs functions essential to the acceptance by merchants of cards issued by the network issuers. These functions include systems and procedures to authorize and settle card transactions. As a card issuer, American Express has developed consistent policies worldwide for handling customer disputes, which are grounded in our contracts and largely in the core consumer billing error protections established by the Fair Credit Billing Act. These policies, together with specific approaches we have taken with respect to online transactions, are more fully described in our letter ([www.ftc.gov/bcp/icpw/comments](http://www.ftc.gov/bcp/icpw/comments)) previously submitted in connection with last year's workshop.

Consumer confidence will clearly be a crucial factor in the growth of e-commerce and the widespread benefits it brings to consumers. The card industry's "chargeback" approaches are just

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one method of resolving online disputes. The development of efficient, effective, timely and affordable means to resolve disputed online transactions will be best accomplished by the private sector's continued development of market driven alternative dispute resolution mechanisms, bolstered by appropriate private sector self-regulation and cooperation among nations. The arena of global e-commerce does not lend itself to "one size fits all" solutions. Any overarching framework addressing ADR for online transactions should provide for flexibility, should permit the parties to the transaction to choose, by contract or otherwise, from among the various types of ADR, and should not automatically preclude any particular type of ADR approach. Accordingly, American Express encourages the consideration and discussion of a broad range of mechanisms which will provide consumers with viable alternatives for dispute resolution.

We are very appreciative that the FTC has provided the continued opportunity for a diverse group of industry representatives to present their views on this issue and look forward to continuing to participate in the discussion.

Very truly yours,

Thomas J. Ryan  
Group Counsel